CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

April 9, 2003

H.R. 761
Disabled Servicemembers Adapted Housing Assistance Act of 2003

As introduced on February 13, 2003

H.R. 761 would allow severely disabled members of the armed forces to receive specially adapted housing grants from the Department of Veterans Affairs (VA) while still on active duty. CBO estimates that enacting H.R. 761 would increase direct spending for veterans readjustment benefits by less than $500,000 in 2004.

VA currently administers two grant programs to assist severely disabled veterans in acquiring housing that is adapted to their disabilities, or in modifying their existing housing. Under current law, veterans who are classified by the VA as totally disabled and who have certain mobility limitations are entitled to receive housing grants of up to $48,000. Totally disabled veterans who are blind or have lost the use of their hands are entitled to receive grants of up to $9,250. H.R. 761 would allow similarly disabled servicemembers, on active duty pending a medical separation, to receive these grants.

Data from VA indicates that about 180 servicemembers separate from the armed services each year with disabilities the VA rates as totally disabling. Based on information from VA about the number of totally disabled veterans receiving these grants, CBO estimates that about 20 servicemembers a year typically apply for and receive housing grants averaging $37,000 shortly after they separate from the service. According to the Department of Defense, servicemembers typically remain on active duty about four to six months pending a medical separation. CBO expects that being able to apply for and potentially receive the adapted housing grants during that time period would allow about half of these servicemembers to receive the grants one fiscal year earlier than they would have otherwise. Thus, CBO estimates that about $370,000 in outlays for readjustment benefits that would have occurred in 2005 would, under H.R. 761, occur in 2004. We also estimate that the net effect on outlays over the 2005-2013 period would be negligible because we estimate that outlays of roughly that same amount that would have occurred in 2006 and subsequent years would also now occur one fiscal year earlier offsetting the reduction in outlays in 2005 and subsequent years caused by shifting outlays forward.

The bill contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

The CBO staff contact for federal costs is Sarah T. Jennings. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.